



United States Department of the Interior
Office of Valuation Services
Mountain Region

APPRAISAL REVIEW

Bureau of Land Management
Eagle BLM Parcels (C, D, and E) of the
Sutey Ranch BLM Land Exchange
Eagle County, Colorado

IVIS No. L12213

APPRAISAL REPORT PREPARED BY:

Kevin A. Chandler, MAI
Chandler Consulting
Steamboat Springs, Colorado 80477

EFFECTIVE DATE OF VALUE:

November 15, 2012

TYPE OF VALUE

Market Value

PROPERTY APPRAISED:

A total of 200.64 acres (Federal Parcels C, D, and E)
Located: T.5 S, R.83 & 84 W., Southeast of Town of Eagle,
Eagle County, Colorado

APPRAISAL REVIEW REPORT PREPARED BY:

Kent C. Stevens, MAI

DATE OF APPRAISAL REVIEW REPORT:

January 10, 2013



United States Department of the Interior
Office of Valuation Services
Mountain Region

January 10, 2013

Maryanne Kurtinaitis
BLM State Office
2850 Youngfield Street
Lakewood, CO 80215

Re: Review of Appraisal by Kevin A. Chandler, MAI.
BLM - IVIS No. L12213 - This is a review of an appraisal of three Federal Parcels (C, D, and E) of the BLM Sutey Ranch BLM Land Exchange. These three parcels are located in Eagle County, Colorado. Other parcels of the exchange are located in Garfield and Eagle Counties (IVIS No. L12213 also includes Parcels A, B, and B-1 that are located in Pitkin County). Those parcels and the non-Federal parcels are addressed in other reports and have separate reviews.

Dear Ms. Kurtinaitis:

I have reviewed the above-captioned appraisal report to determine if it is acceptable for use by the Bureau of Land Management. The effective date of the property appraisal under review is November 15, 2012.

This appraisal review report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Based on my review, I have concluded that the appraisal report that is the subject of this review is approved for use by the Bureau of Land Management.

Respectfully submitted,

Kent C. Stevens, MAI, Review Appraiser
DOI - Office of Valuation Services
12136 West Bayaud Avenue, Suite 100
Lakewood, CO 80228
(303) 969 - 5366
kent_stevens@ios.doi.gov
CO State Certification No. CG-01324531

APPRAISAL REVIEW	
ARRTS Number:	L12213
Agency Case ID:	COC-74812FD
Property Owner:	Bureau of Land Management (BLM)
Agency's Proposed Action:	Determine Market Value
Property Appraised:	200.64 acres of land in three Federal Parcels identified as Parcels C, D, and E). These parcels are located southeast of the Town of Eagle, Eagle County, Colorado
Legal Description:	T.5 South., R.83 West and 84 West W., 6 th Principal Meridian, Eagle County, Colorado
Appraiser:	Kevin A. Chandler, MAI of Chandler Consulting
Real Property Interest:	Fee Simple (subject to reservations of record)
Highest and Best Use:	Parcels C and E as assemblage, agriculture and / or recreation. Parcel D as rural residential development.
Present Use:	Recreation and Agriculture use (as currently vacant).
Effective Date of Value:	November 15, 2012
Date of Appraisal Report:	January 10, 2013
Date of Review Report:	January 10, 2013
Client of Review:	Office of Valuation Services (OVS)
Intended Users of Review:	Office of Valuation Services (OVS), Western Land Group and the Bureau of Land Management (BLM)
Intended Use of Review:	Determine if use of appraisal estimate of market value is acceptable for use by BLM.
Market Value	Parcels C and E - \$550,000 Parcel D - \$275,000 Total of Parcels C, D, and E = \$825,000
Improvement Allocation:	N / A
Extraordinary Assumptions:	N / A
Hypothetical Conditions:	The Appraiser has made one instructed hypothetical condition – has assumed that the property is in private ownership, zoned consistent with similar non-Federal property in the area 9i.e., assumed to be Resource by Eagle County), and available for sale on the open market.

Reviewer Recommends: Approval of the appraisal report for use by the BLM.

Purpose of the Review: The purpose of this review is to evaluate compliance by the appraiser with the OVS Statement of Work (SOW), the Uniform Standards of Professional Appraisal Practice (USPAP), and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Scope of the Review: I inspected subject Parcels C, D and E, comprising 200.64 acres, on August 22nd and November 15, 2012. The August 22nd inspection I was with Kevin Chandler and several other people from Western Land Group, BLM and representative of different land owners. On August 22 - 23 we visited and inspected all of the properties involved with the proposed exchange and several of the comparable sales used in the reports.

On November 15th I again inspected the subject site (all of the exchange parcels) with Appraiser Kevin Chandler. We were accompanied by James Sander, an OVS employee. I have been provided considerable data, maps, legal descriptions, and other information pertaining to the various subject sites involved in the proposed exchange. I have had numerous discussions with Kevin Chandler and others regarding aspects of the various appraisal problems associated with the proposed exchange. Beyond ascertaining compliance with the SOW, USPAP, and UASFLA, the reviewer checked mathematical calculations, and verified that the correct property and property rights were valued by the Appraisers. The reviewer is relying on the factual data contained in the appraisal report in the conduct of this review assignment.

As review appraiser it is useful to appreciate the context of this specific review being one part of four separate reviews of four separate reports of the Sutey Ranch BLM Land Exchange. As shown on page 12 of the report titled SUMMARY OF APPRAISAL PROBLEMS, the exchange includes six Federal parcels and two non-Federal parcels. The six Federal Parcels are presented in two separate reports with two separate reviews. The two non-Federal parcels each have one report and there is one review for each non-Federal report.

ASSUMPTIONS AND LIMITING CONDITIONS

1. I do not authorize the out-of-context quoting from, or partial reprinting of, this review report.
2. This review report is based on information and data contained in the appraisal report, which is the subject of the review.
3. It is assumed that the data contained in the appraisal report are factual and accurate.
4. The reviewer reserves the right to reconsider the conclusions reached in this review should any new or additional information become available that contradicts the data relied upon in the appraisal report under review.
5. Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report, which is the subject of this appraisal review, are also conditions of this review.

REVIEWER'S OPINIONS, REASONS, ANALYSES, COMMENTS, AND CONCLUSIONS

a) *Develop an opinion as to the accuracy and completeness of the material under review, given the reviewer's scope of work.*

The appraisal report appears to be accurate and complete. The description in the report of the three parcels, Parcels C (171.34 acres), D (17.41 acres), and E (11.97 acres), with a combined total area of +/-200.64 acres, appears to be accurate (the report discusses slight variations in the size). The three parcels are located about six air miles southeast of the Town of Eagle, in the Brush Creek Valley neighborhood of unincorporated Eagle County, Colorado.

Based on my review, the report complies substantially with the Statement of Work (SOW). The report does not include any Extraordinary Assumptions but does have one Hypothetical Condition for each larger parcel. Larger parcel C and E and larger parcel D were each appraised "*that it would be zoned Resource by Eagle County if in private ownership*". A definition of market was provided in the SOW and this definition was used in the appraisal report. Overall, the report is accurate and complete and complies substantially with USPAP, UASFLA, and the SOW issued for the assignment.

b) *Develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the reviewer's scope of work.*

The report provided considerable information regarding the subject parcels. The property data description and analysis was more than adequate including key items as listed below:

Larger Parcel – the three tests that must be considered are unity of ownership, unity of use, and physical contiguity. The Appraiser concluded that the three parcels comprise two separate larger parcels for valuation purposes, which was consistent with the market sales data and the appraisal instructions. Parcel D at 17.41 acres is treated as a single larger parcel since it is suitable for a rural home site and could easily be marketed as a stand-alone property. Parcels C and E with a total of 183.23 acres have the same use of agriculture / recreation due to a lack of access. Valuing the three subject parcels with C and E as one larger parcel and Parcel D as a separate larger parcel is reasonable and appropriate.

Access is an important issue with subject Parcels C and E while Parcel D has year-round access from an adjacent County Road. The report has considerable data and analysis to adjust for the fact that Parcels C and E are appraised with pedestrian ingress / egress only from adjacent land. Existing private jeep trails that traverse parcels C and E are not available for use by the general public.

Highest and Best Use – is limited to agriculture and / or recreation for Parcels C and E due to the lack of vehicular access, with rural residential development also an option for Parcel D. All three of the parcels are also candidates for assemblage with adjacent private land.

The Appraiser identified three primary comparable sales for comparison with Parcels C and E with an additional four sales recognized as superior and three sales recognized as inferior which were not selected as primary comparables. Regarding Parcel D three primary comparable sales were compared to prepare an opinion of value. Each of the primary comparable sales was thoroughly analyzed including comments, photos and maps. In summary, the report contains sufficient relevant market data and appropriate analysis leading to credible results.

c) *Develop an opinion as to the appropriateness of the appraisal methods and techniques used, given the reviewer's scope of work, and develop the reasons for any disagreement.*

The report describes the appraisal methodology of the three standard approaches to value and concludes that the Sales Comparison Approach was the only approach applicable to this assignment.

The Appraiser concluded there was insufficient data in the local market to make a matched-pair analysis of the sales and derive well-supported quantitative adjustments (i.e., percentage or dollar amounts) for most units of comparison. The exception is percentage adjustments for market conditions and access as analyzed in the narrative and shown in the separate Comparable Sales Summary and Adjustment Grids (pages 39 and 54). The quantitative adjustments were developed from a variety of well documented sales as shown on pages 40 through 42 including the Summary of Quantitative Adjustments for Access chart on page 42.

The Appraiser analyzed the comparable sales data for the two Larger Parcel subject sites using well written narrative describing the analysis used to reach opinions of value. The appraisal methods, techniques and analysis used in the report analysis and discussion were appropriate and the conclusions are reasonable.

d) *Develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable, given the reviewer's scope of work, and develop the reasons for any disagreement.*

Parcels C and E - The Appraiser referenced the three primary sales and also further discussed the seven other sales as shown on the Summary of Comparable Sales Considered for the Analysis. The raw data from the three comparable sales indicated a range from a low of \$3,415 to a high of \$8,617 per acre. After quantitative adjustments for market conditions and access the range was narrower with a low of \$1,775 and a high of \$4,309 per acre. After qualitative adjustments the comparable sales indicate a market value for Parcels C and E that would be slightly more than \$1,775 (Sale 1) and \$2,561 (Sale 2) and less than \$4,309 (Sale 3). The Appraiser reported the most comparable transactions indicate a value for the subject property (Parcels C and E) of about \$2,000 to \$3,000 per acre, which is consistent with other properties in the State of Colorado that only have pedestrian ingress / egress. The Appraiser's opinion of the current market value of the Eagle BLM Parcels C and E is \$3,000 per acre, with a total value for the 183.23-acre holding (as a single larger parcel) calculated as follows: **183.23 Acres @ \$3,000 = \$549,690** **Rounded - \$550,000**

Parcel D - The Appraiser referenced the three primary sales and noted there were no market condition adjustments, quantitative adjustments of any type on the sales. After comparison the Appraiser reported a market value for the subject property that would be slightly more than \$200,000 per lot (Sale 4), slightly less than \$350,000 per lot (Sale 6) and somewhat less than \$500,000 per lot (Sale 5). Primary emphasis was given to Sales Four and Six, which report an average sale price of \$275,000 per lot. This equates to \$15,796 per acre for the 17.41-acre parcel, which is bracketed by the primary comparables at \$12,346 to \$63,627 per acre. The Appraiser reported that Parcel D would be expected to command a per acre value towards the bottom of the range due to its average lot size and physical characteristics.

Parcel D Value via Sales Approach: **\$275,000**

Conclusion:

The concluded value of **\$550,000 for Parcels C and E** and **\$275,000 for Parcel D** is approved and considered appropriate and reasonable.

REVIEWER CERTIFICATION

I, the undersigned, certify that to the best of my knowledge and belief:

1. The facts and data reported by the reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of the work under review, or to the parties involved with this assignment.
5. I have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
8. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) except to the extent that UASFLA requires the invocation of the USPAP's Jurisdictional Exception Rule, as described in Section D-1 of UASFLA.
9. I did personally inspect the subject property (Parcels C, D, and E) with contract appraiser Kevin A. Chandler, MAI, and others on August 22 and November 15, 2012; I did inspect several of the market comparables cited in the appraisal report under review; have not verified any of the factual data presented in the appraisal report reviewed.
10. No one provided significant professional assistance to the review appraiser.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

Review Appraiser

Signature

Kent C. Stevens, MAI

License or Certification
Number

Colorado CG-01324531

Date Signed

Desk Review

Yes

No

Field Review

X

X

Date(s) of Field Review

August 22, November 15, 2012

REVIEWER'S QUALIFICATIONS

Kent C. Stevens, MAI
Review Appraiser, DOI, OVS
C/o Office of Valuation Services (OVS), 12136 West Bayaud Avenue, Suite 100,
Lakewood, CO 80228
Email:kent_stevens@ios.doi.gov; Telephone: (303) 969-5366; Fax: (303) 969-5503

EDUCATION:

B.S., BUSINESS MANAGEMENT, FINANCE

BRIGHAM YOUNG UNIVERSITY (BYU), Provo, Utah, 1979

Mr. Stevens has successfully completed a number of classes offered by the American Institute of Real Estate Appraisers (AI) and the American Society of Farm Managers & Rural Appraisers (ASFMRA).

EXPERIENCE:

REVIEW APPRAISER, 2003 – Present

U.S. DEPT. OF THE INTERIOR, Office of Valuation Services (OVS) – formerly Appraisal Services Directorate (ASD), Lakewood, Colorado

As Review Appraiser, Mr. Stevens is responsible for contracting and reviewing appraisals for the OVS BLM Team and other assignments as required.

APPRAISER / REVIEW APPRAISER, 1996 - 2003

NATIONAL PARK SERVICE (NPS), Lakewood, Colorado

Appraised and / or contracted and reviewed Concession improvements located within National Parks.

APPRAISER / REVIEW APPRAISER 1988 – 1996

GENERAL SERVICES ADMINISTRATION (GSA), Lakewood, Colorado

Prepared and / or contracted and reviewed RENT appraisals, prepared and / or contracted and reviewed narrative appraisals on land for expanding US Courts or new construction and for government used space including office, warehouse, etc.

STAFF APPRAISER 1986 – 1988

BUREAU OF INDIAN AFFAIRS (BIA), Billings, Montana

Appraised and / or reviewed appraisals of tribal allotments and / or building improvements located within Indian Reservations in Montana and Wyoming.

FEE APPRAISER – 1983 - 1986

BRADY APPRAISAL AND ASSOCIATES, Billings, Montana

Mr. Stevens was introduction to the appraisal industry by initially beginning as a researcher / appraisal trainee. He researched information and increasingly participated in appraising residential, commercial, industrial, and farm / ranch properties.

PROFESSIONAL DESIGNATIONS AND LICENSES:

MAI, awarded by the Appraisal Institute, April 2006

Colorado Certified General License Number: CG-01324531 awarded 1992.